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## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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SECRET

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COUNTRY Hungary/Czechoslovakia/Yugoslavia

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SUBJECT Industrial Information

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1. Supplies of Electricity.

- a. Considerable quantities of electricity are being supplied by Hungary to Czechoslovakia, and the large new transformer just north of Vác is to be used in connection with this scheme. The power lines near Komárom also convey electricity from the new power station near Inóta to Czechoslovakia, which in turn supplies important quantities to Polish Silesia.
- b. After a ceremony [redacted] the third turbine of the new Inóta power station was put into use. The station is supplying power to factories belonging to the Stalin Iron Works. This is a provisional arrangement until the new Sztalinváros Station can generate sufficient quantities.
- c. Electricity supplies for transport and factories in Budapest and its suburbs come from the Bányász and the Mátravidek power stations. The amount of electricity varies according to the requirements of day and night shifts.

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2. Raw Material Shortage at Gheorgiu-Dej Shipyard.

The Gheorgiu-Dej Shipyard (formerly Ganz), is experiencing difficulties with boiler construction owing to the shortage of raw materials, including iron plates, and the shops are forced to remain idle for several days per week. [redacted] the iron plates supplied by Ózd, Diósgyőr are so inferior that the warmth of riveting causes the edges to break away. The works build boilers and containers with a volume of 15.25 and 45 cu. m. No particulars of their capacity are known.

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3. Economic Negotiations with Yugoslavia.

[redacted] negotiations are in progress for a trade agreement with Yugoslavia. Hungary is offering grain in exchange for important ores from Yugoslavia.

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4. Reaction to Berlin Riots.

When news of the Berlin riots became known, a number of workers from the larger factories, particularly from Csepel, organized demonstrations in sympathy. AVH squads in the industrial areas of Budapest and the province were alerted to prevent large-scale disturbances. Arrests were made but the majority of those concerned were released soon afterwards. Discontent is particularly great among workers in large factories, whose families are living in the country and suffering particularly from poverty and the shortage of bread.

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